

FEATURING BEST PRACTICES OF STATE AGENCIES AND INSTITUTIONS OF THE COMMONWEALTH OF VIRGINIA

Fleet Management

Contract Vehicle Rental Services and Partial Privatization

Virginia Department of Transportation
implemented this best practice
in April 24, 1996

*Qualifying under the
Best Practices catalogue*

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- 1 Establish Direction
- 13 Develop plans
- 131 Identify missions, goals and objectives

also 132

Best Practice Summary (how it works, how you measure it)

An invitation for bid was issued for a vendor to provide vehicle rental services for sedans and mini-vans. The vehicle rentals were to be used at periods of peak demand to supplement the pool of State vehicles. The Division of Fleet Management within the Virginia Department of Transportation was unable to meet the demand of its customers during periods of peak demand. As a result, employees were forced to either cancel their travel or utilize their personal vehicle at an increased cost to the State (either \$0.19 per mile or \$0.27 per mile, depending on vehicle availability and distance traveled).

As a result of the contract, Fleet Management was able to reduce the size of the State trip pool (cars temporarily used up to three weeks) by approximately 25 percent. At the same time, Fleet Management was able to fulfill the needs of its customers as long as they provided at least 24-hour notice prior to the need for a vehicle.

A customer calls in the reservation for a vehicle. The request is entered into the Fleet Management computerized trip pool system and a State vehicle is assigned if one is available. In the case where a State vehicle is not available, a rental car is requested and delivered to the Fleet Management Central Garage.

Impact on the Process Organizational Performance (OUTCOMES)

The following results have occurred:

- Fleet Management was able to reduce the size of its trip pool vehicles by 25 percent.
- The vehicles removed from Fleet's pool were issued to agencies as new assignments, thus potentially reducing personal reimbursement by approximately \$48,000 annually.
- Customer service was greatly improved.
- Waiting lists and customers going without the use of State vehicles have been almost totally eliminated.

Best Practice Qualification

The concept of partial privatization reaps the benefits of both systems. Fleet Management lacked the ability to fluctuate the number of vehicles in its trip pool, which would have allowed them to place more vehicles in the pool during periods of peak demand and remove vehicles at times when they were no longer needed. The process of supplementing State resources with those of private industry, in order to meet peak demand periods, would work in other areas as well.

For Additional Information

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